

# CPP ANNUAL USE OF CAPITAL SURVEY - 2011



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

First Capital Bancorp, Inc

Point of Contact:	John Presley	RSSD: (For Bank Holding Companies)	3454172
UST Sequence Number:	444	Docket Number: (For Thrift Holding Companies)	
CPP/CDCI Funds Received:	10,958,000	FDIC Certificate Number: (For Depository Institutions)	34802
CPP/CDCI Funds Repaid to Date:		Credit Union Charter Number: (For Credit Unions)	
Date Funded (first funding):	April 03, 2009	City:	Glen Allen
Date Repaid <sup>1</sup> :	N/A	State:	Virginia

<sup>1</sup>If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP) and Community Development Capital Initiative (CDCI). To answer that question, Treasury is seeking responses that describe generally how the CPP/CDCI investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP/CDCI investment was deployed or how many CPP/CDCI dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

**What specific ways did your institution utilize CPP/CDCI capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP/CDCI funds were outstanding).**

☒ **Increase lending or reduce lending less than otherwise would have occurred.**

For the year ended December 31, 2011 the company funded approximately \$65 million in new loans. This was offset by a reduction in the total loan portfolio of approximately \$25 million as the company reduced its exposure to Real Estate Loans.

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☒ **To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).**

New loans were concentrated in Owner Occupied Real Estate loans, Investment properties and 1 to 4 family residential rental properties.

☒ **Increase securities purchased (ABS, MBS, etc.).**

Investment securities were relatively flat year over year as investment purchases were made to offset pay downs within the portfolio

☐ **Make other investments.**

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**X Increase reserves for non-performing assets.**

In 2011 the company added \$9.4 million to its allowance for loan losses as it incurred charge-offs of \$11.2 million during the year. This allowed the company to reduce exposure to real estate loans, reduce non-performing assets while regulatory capital remained well above well capitalized levels

**X Reduce borrowings.**

The company's borrowings at the FHLB decreased \$5 million for the year

**X Increase charge-offs.**

The company charged off approximately \$11.2 million in 2011 enabling it to reduce non-performing assets

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☐ Purchase another financial institution or purchase assets from another financial institution.

☒ Held as non-leveraged increase to total capital.

Total risk based capital for the company was 13.17% at December 31, 2011 compared to 13.74% at December 31, 2010. Tier 1 Capital was 11.60% at December 31, 2011 compared to 12.08% at December 31, 2010

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### What actions were you able to avoid because of the capital infusion of CPP/CDCI funds?

The Company was able to aggressively deal with problem assets and remain over 300 basis points above "well capitalized" for regulatory purposes.

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### **What actions were you able to take that you may not have taken without the capital infusion of CPP/CDCI funds?**

The Company was able to aggressively deal with problem assets and remain over 300 basis points above "well capitalized" for regulatory purposes. The company was able to replace some assets on the balance sheet to manage profitability while reducing exposure to certain asset classes.

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Please describe any other actions that you were able to undertake with the capital infusion of CPP/CDCI funds.